

1
2
3
4
5
6
7
8 **UNITED STATES DISTRICT COURT**
9 **SOUTHERN DISTRICT OF CALIFORNIA**
10

11
12 **SECURITIES AND EXCHANGE**
13 **COMMISSION,**

14 **Plaintiff,**

15 **vs.**

16 **GREG RUEHLE,**

17 **Defendant.**
18
19
20
21
22
23
24
25
26
27
28

Case No. 16 CV 0366 AJB MDD

JUDGMENT AS TO DEFENDANT
GREG RUEHLE

1 The Securities and Exchange Commission having filed a Complaint and
 2 Defendant Greg Ruehle having entered a general appearance; consented to the
 3 Court's jurisdiction over Defendant and the subject matter of this action; consented to
 4 entry of this Judgment; waived findings of fact and conclusions of law; and waived
 5 any right to appeal from this Judgment:

6 I.

7 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
 8 permanently restrained and enjoined from violating, directly or indirectly, Section
 9 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §
 10 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using
 11 any means or instrumentality of interstate commerce, or of the mails, or of any
 12 facility of any national securities exchange, in connection with the purchase or sale of
 13 any security:

- 14 (a) to employ any device, scheme, or artifice to defraud;
- 15 (b) to make any untrue statement of a material fact or to omit to state a
 16 material fact necessary in order to make the statements made, in the light
 17 of the circumstances under which they were made, not misleading; or
- 18 (c) to engage in any act, practice, or course of business which operates or
 19 would operate as a fraud or deceit upon any person.

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
 21 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
 22 binds the following who receive actual notice of this Judgment by personal service or
 23 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and
 24 (b) other persons in active concert or participation with Defendant or with anyone
 25 described in (a).

26 II.

27 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
 28 Defendant is permanently restrained and enjoined from violating Section 17(a) of the

1 Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale
2 of any security by the use of any means or instruments of transportation or
3 communication in interstate commerce or by use of the mails, directly or indirectly:

4 (a) to employ any device, scheme, or artifice to defraud;

5 (b) to obtain money or property by means of any untrue statement of a
6 material fact or any omission of a material fact necessary in order to
7 make the statements made, in light of the circumstances under which
8 they were made, not misleading; or

9 (c) to engage in any transaction, practice, or course of business which
10 operates or would operate as a fraud or deceit upon the purchaser.

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
12 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
13 binds the following who receive actual notice of this Judgment by personal service or
14 otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and
15 (b) other persons in active concert or participation with Defendant or with anyone
16 described in (a).

17 III.

18 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
19 Defendant is permanently restrained and enjoined from violating Section 15(a)(1) of
20 the Exchange Act [15 U.S.C. §§ 78o(a)(1)] by making use of the mails or any means
21 or instrumentality of interstate commerce to effect any transaction in, or to induce or
22 attempt to induce the purchase or sale of, any security, without being registered as a
23 broker or dealer in accordance with Section 15(b) of the Exchange Act [15 U.S.C. §
24 78o(b)].

25 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
26 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
27 binds the following who receive actual notice of this Judgment by personal service or
28 otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and

1 (b) other persons in active concert or participation with Defendant or with anyone
2 described in (a).

3 IV.

4 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
5 Defendant shall pay disgorgement of ill-gotten gains, prejudgment interest thereon,
6 and a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. §
7 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Section
8 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)]. The Court shall determine the
9 amounts of the disgorgement and civil penalty upon motion of the Commission.
10 Prejudgment interest shall be calculated from February 11, 2016, based on the rate of
11 interest used by the Internal Revenue Service for the underpayment of federal income
12 tax as set forth in 26 U.S.C. § 6621(a)(2). In connection with the Commission's
13 motion for disgorgement and/or civil penalties, and at any hearing held on such a
14 motion: (a) Defendant will be precluded from arguing that he did not violate the
15 federal securities laws as alleged in the Complaint; (b) Defendant may not challenge
16 the validity of the Consent or this Judgment; (c) solely for purposes of such motion,
17 the allegations of the Complaint shall be accepted as and deemed true by the Court;
18 and (d) the Court may determine the issues raised in the motion on the basis of
19 affidavits, declarations, excerpts of sworn deposition or investigative testimony, and
20 documentary evidence, without regard to the standards for summary judgment
21 contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with
22 the Commission's motion for disgorgement and/or civil penalties, the parties may
23 take discovery, including discovery from appropriate non-parties.

24 V.

25 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
26 Consent is incorporated herein with the same force and effect as if fully set forth
27 herein, and that Defendant shall comply with all of the undertakings and agreements
28 set forth therein.


VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the allegations in the complaint are true and admitted by Defendant, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under this Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendant of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Judgment.

Dated: April 11, 2016


Hon. Anthony J. Battaglia
United States District Judge